

## Message Text

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51

ORIGIN COME-00

INFO OCT-01 AF-06 EUR-12 ISO-00 AID-05 CIAE-00 EB-07

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 STR-04 L-02 /080 R

DRAFTED BY COMM/BIC/OIM/AF/SKMILLER/BKY

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COMM/BIC/OIM/AF/JTDOYLE

STATE/AF/S/DPNCHRISTENSEN

EB/OCA/BP/DVLABRIE

----- 113916

R 122304Z MAY 75

FM SECSTATE WASHDC

TO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

INFO AMCONSUL HAMBURG

AMCONSUL JOHANNESBURG

UNCLAS STATE 110479

E.O. 11652: N/A

TAGS: BDIC, SF

SUBJECT: ALLEGED DISCRIMINATORY TRADE PRACTICE BY  
VOLKSWAGEN SOUTH AFRICA

1. U.S. OWNED MANUFACTURER OF AUTOMOBILE AIR CONDITIONING  
UNITS, DPD MANUFACTURING CO. INC., SAN ANTONIO, TEXAS  
VISITED COUNTRY MARKETING MANAGER MAY 5 TO COMPLAIN OF  
DISCRIMINATORY TRADE PRACTICE OF VOLKSWAGEN SOUTH AFRICA  
(VWOSA).

2. DPD HAS HOOPER MOTORS DURBAN AS ITS AGENT FOR ITS AUTO  
AIR CONDITIONERS. HOOPER IS AUDI-VOLKS DEALER WHO  
1) INSTALLS THE DPD UNITS DIRECTLY FOR ITS CUSTOMERS AND  
2) DISTRIBUTES THE UNITS TO OTHER VOLKS DEALERS FOR  
SUBSEQUENT INSTALLATION. DPD SOLD 500 UNITS TO HOOPER IN  
THE 3 MONTHS PRECEEDING OCT. 15, 1974.  
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3. VWOSA NOTIFIED DPD SEPT. 9 IT CONSIDERING TESTING UNITS  
MANUFACTURED BY WHOLLY VW OF S.G. AMERICA PLANT - DALLAS  
BASED VOLKSWAGEN PRODUCTS CORPORATION. VWOSA SAID VPC  
UNITS HAD BEEN TECHNICALLY CERTIFIED BY VW OF W.G.

4. DPD ON OCT. 15, 1974 CONTACTED VW OF WG IN EFFORT OBTAIN COMPARABLE "TECHNICAL CERTIFICATION" FOR ITS UNITS. VW OF WG REPLIED 12/11/74 THAT IT NOT IN POSITION TO RECOMMEND FOR OR AGAINST OR APPROVE FOR INSTALLATION ANY SPECIFIC AUTO AIR CONDITIONER.

5. VWOSA REFUSED TO CONDUCT TECHNICAL QUALIFYING TESTS FOR THE DPD UNITS - EVEN IF DPD FUNDED THE TESTS AT A PRIVATE FACILITY. ACCORDING TO DPD, NEW TACK NOW TAKEN BY VWOSA: IT ALLEGEDLY IS TELLING ITS DEALERS THAT DPD UNITS WILL VOID VWOSA VEHICLE WARRANTY ISSUED TO PURCHASERS AND ONLY VPC UNITS WILL MAINTAIN WARRANTY'S INTEGRITY. VWOSA REFUSES STATE REASONS WHY DPD UNIT UNSATISFACTORY.

6. DPD AWARE THAT IF REASON IS SIMPLE COMPANY DECISION TO BUY ITS OWN BRAND, THEY HAVE NO RECOURSE. BUT DPD CONCERNED OVER INDIRECT PRESSURE PLACED ON ITS DISTRIBUTOR WHICH CASTS DOUBT ON SOUNDNESS OF DPD PRODUCTS.

7. REQUEST DURBAN INFORMALLY CONFIRM FACTS OF CASE WITH HOOPER. OCCURS TO US THAT MERE STATEMENT TO DEALERS INSUFFICIENT TO VOID AUTO WARRANTY WHICH PRESUMABLY TAKES FORM OF WRITTEN UNDERTAKING FROM MANUFACTURER TO OWNER. REQUEST POST ALSO OBTAIN VIEW FROM HOOPER ON THIS. UNTIL FACTS OF CASE ARE CLEARER, BELIEVE NO RPT NO APPROACH TO VWOSA NECESSARY. REPORT ASAP AFTER RECEIVING.

COPIES OF CASE CORRESPONDENCE AIR POUCHED SEPARATELY. INGERSOLL

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<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
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**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
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**Subject:** n/a  
**TAGS:** ETRD, SF, VOLKSWAGEN  
**To:** CAPE TOWN  
DURBAN INFO HAMBURG  
JOHANNESBURG  
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